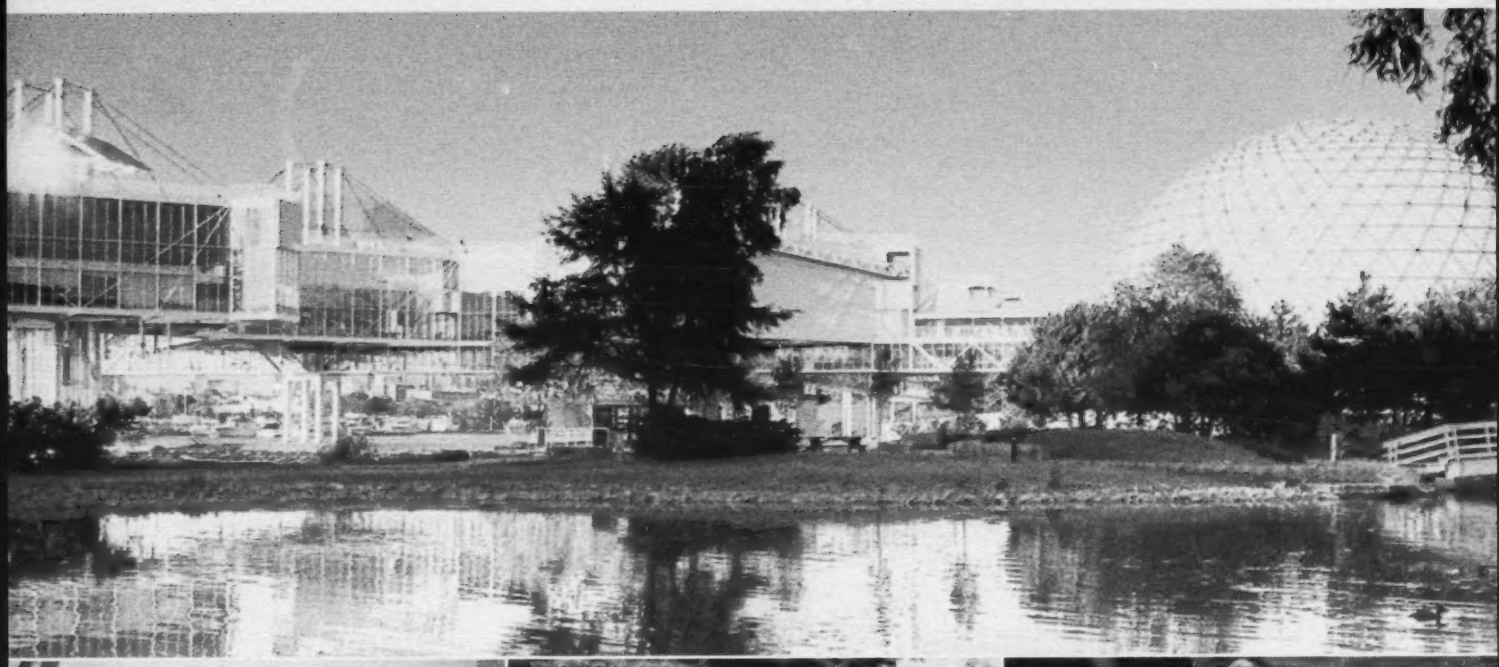

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Annual Report

For the year ending December 31, 2011

2011 Annual Report
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ontario place

Ontario Place Corporation
955 Lakeshore Boulevard West
Toronto, ON Canada M6K 3B9
www.ontarioplace.com

An Agency of the Government of Ontario
Ministry of Tourism, Culture and Sport

Ontario Place Revitalization

On February 1, 2012 the following statement was issued by Minister of Tourism, Culture and Sport Michael Chan:

Today, we are taking a new step forward in the revitalization of Ontario Place to make it a 'must visit' destination and landmark for Ontario families and tourists from around the world. I've asked John Tory, Chair of CivicAction, to lead a panel that will advise the government on the redevelopment of the site.

With the revitalization moving forward, we are also making the decision not to invest additional money into Ontario Place as it exists today. The waterpark, amusement rides and the Cinesphere will be closed. This will save the government from having to invest up to $20 million annually in operating and capital funding. The Molson Amphitheatre, Atlantis, marina and parking will remain open until construction begins.

Ontario Place will be available for use for the 2015 Pan/Parapan Am Games and the rebuilding will be completed in time to celebrate Canada's 150th anniversary in 2017.

A new Ontario Place is part of our government's plan to grow tourism through investments that will stimulate Ontario's economy, create jobs, and develop exciting new opportunities and experiences.

Chair's Message

In 2011, Ontario Place celebrated its 40th anniversary by introducing free admission, reinvigorating its marketing efforts and offering new temporary rides and entertainment to its visitors.

Our new Eco-Learning Centre and greening initiatives made the park even more beautiful and eco-friendly. 2011 was the year we helped our guests achieve Zero Waste by diverting 250 tonnes of waste from landfill, and had our Marina achieve the highest rating possible in the Clean Marine eco-certification program.

While these efforts boosted attendance by 72% over 2010, guests spent less than expected once in the park. Parking revenues declined due to fewer concerts and less car traffic to the park. Notwithstanding those declines, on Canada Day, Ontario Place earned its highest daily attendance record in the past ten years.

The Ministry of Tourism, Culture and Sport undertook a land-use based review of redevelopment options for Ontario Place to reinvigorate the site through revitalization. The property is ideally situated to play an important role in Toronto's hosting of the PanAm Games in 2015 and in the celebration of Canada's Sesquicentennial in 2017.

Market research undertaken in 2011 indicated Ontario Place has established and retained excellent brand recognition, and the park elicits strong positive sentiments amongst its supporters. There is pride in the history of Ontario Place that must be acknowledged as the future revitalization is planned. The unique waterfront setting and the significant green space allows for many revitalization options. The possibilities are endless and the future path can usher in an exciting new era at Ontario Place.

On behalf of my colleagues on the Board of Directors, I want to thank the employees of Ontario Place for their dedication to the park and to our business partners and guests for their continued support. I am pleased to submit the Ontario Place Annual Report for the year ending December 31, 2011.

Joe Halstead,
Chair, Ontario Place Corporation Board of Directors

Corporate Governance

Vision

Ontario Place celebrates Ontario – its inclusiveness, innovation, and environment by engaging visitors in an experience that reflects the province's exceptional culture, character and life.

Mission

To become Ontario's pre-eminent year-round waterfront entertainment destination and tourism gateway by 2017.

Core Principles

- Uphold public interest and trust in managing public funds and assets responsibly;
- Foster a culture of ethical behavior, accountability, transparency and open communication;
- Being diverse and inclusive;
- Encourage creativity, training and developing high performing individuals and teams;
- Ensure informed decision making; and
- Minimize OPC and shareholder risk.

Corporate Governance

Ontario Place is an Operational Enterprise Agency of the Government of Ontario and is accountable to the Minister of Tourism, Culture and Sport. The Board of Directors governs and provides strategic direction for the affairs of Ontario Place and is responsible for the effective oversight of its management. The role of the Board committees is to act as a resource for Ontario Place management.

Board of Directors

Joseph Halstead, Chair *Markham*
David G. Angus, *Ottawa*
Sonny Cho, *Toronto*
Connie Dejak, *Toronto*
Linda Franklin, *Oakville*
Basat Khalifa, *Maple*
Penny Lipsett, *Elora*
M. Joanne Rider, *Thornhill*
Winston Young, *Toronto*

Senior Management

John Tevlin	General Manager
Keith Brown	Director of Operations and Infrastructure
Eriks Eglite	Director of Strategic Planning and Corporate Services
Jean Abou-Saab	Executive Assistant to the General Manager
Dave Bounsall	Director of Marketing and Communications
Marsha O'Connor	Director of Finance and Administration
Mary Strizzi	Director of Human Resources

At peak operating season in July 2011, staffing levels reached 775, and included employment for over 600 summer students.

Corporate Sponsors and Partners

Ontario Place gratefully acknowledges the support of:

Corporate Sponsors

BRP
Coca-Cola Company
Coppertone
KB Media
Mac's Convenience Stores Inc.
Molson Canada
Nestle Canada Inc.
Pizza Pizza Ltd.
Recycling Council of Ontario
Rogers Communications Inc.
TOMRA
Zoom Media

Media Partners

CFTO/CTV
98.1 CHFI
KISS 98.5
City Parent
Toronto Star
Multicom Media

Supplier Partners

Mercury
Tracker

Entertainment Partners

Kidomo
Steve's Music Store
Treehouse Live

Tourism Partners

Ontario Government
Tourism Toronto
Waterfront Trail
Waterfront Toronto

Third-Party Agreements

Atlantis Pavilions Inc.

Ontario Place Corporation has a license agreement with Atlantis Pavilions Inc. for the operation of a year-round banquet facility in Pods 1 & 2. With a capacity of 1,900, Atlantis hosts corporate events and private functions in a facility that overlooks the Toronto skyline and Lake Ontario.

Live Nation Canada Inc.

Ontario Place Corporation has a license agreement with Live Nation Canada Inc. for the operation of Molson Amphitheatre. With a capacity of over 16,000, the Molson Amphitheatre is a unique concert venue that presents domestic and international entertainment.

Live Nation also has an annual rental agreement with Ontario Place Corporation for Echo Beach, a 5,000-capacity outdoor venue that features a real sand beach and offers guests a view of the downtown Toronto skyline.

2011 Accomplishments

Awards and Accolades

Ontario Place was voted "Best Seasonal Attraction in the GTA for 2011" by readers of City Parent magazine.

The 2011 Ontario Place advertising campaign was one of three worldwide finalists for the "Best Integrated Marketing Campaign" in the 2011 IAAPA Brass Ring Awards (International Association of Amusement Parks and Attractions).

Attendance

Between 2005 and 2010, core park, full year attendance (excludes CNE cross-over and Amphitheatre attendance) decreased 47% from 618,065 guests in 2005 to 327,774 guests in 2010. In 2011, core park full-year attendance increased 72% to 563,362 guests. In-season attendance was 89% higher than 2010 (excludes attendance for pre-season events in both years), and can be attributed in part to the free admission. The free admission can also be attributed to the increase in first time visitors34% of guests were first-time visitors compared to 18% in 2010, an increase of 89%.

As a result, OPC grew its market share among G7 Attractions* during the summer season by over 4 share points, a 21% improvement over 2010:

	2009	2010	2011 (June, July, August only)
OPC attendance market share among G7 Attractions*	22.6%	20.9%	25.2%

*G7 Attractions: Art Gallery of Ontario, Casa Loma, CN Tower, Ontario Science Centre, Ontario Place, Royal Ontario Museum, Toronto Zoo

Revenue

In 2011 the following areas delivered increases in revenue over 2010:

- Concession sales
- Retail/Resale
- Season pass unit sales
- Individual ride ticket sales (surpassed 2010 grounds admissions)
- Play All Day Pass sales
- Tickets and concessions at the Cinesphere

2011 Accomplishments

Rides & Attractions

- OPC introduced ten new rides in 2011 including the park's first-ever rollercoaster, carousel and "thrill" ride. Total ridership increased 52% from 1.5 million in 2010 to 2.3 million rides in 2011, a record for Ontario Place.
- The waterpark was expanded southward to create a new lakeside beach area, which featured two sand beaches, a spa pool, an elevated stage and a curving esplanade at the water's edge.
- A new Eco-Learning Centre was created by repurposing an existing building. The Centre featured unique educational and interactive exhibits that were provided free-of-charge due to support from environmental sponsors including: Toronto and Region Conservation Authority, Parks Canada, the Royal Ontario Museum, Ontario Science Centre, Toronto Humane Society, Earth Rangers, Toronto Wildlife Center, World Wildlife Fund and the Ontario Ministry of Natural Resources. Over 250,000 guests visited the Eco-Learning Centre in 2011.

Project Spruce

"Project Spruce" was designed to refresh the park atmosphere for the 40th anniversary season, with a focus on cleaning, painting, planting and ongoing upkeep. Landscaping and the removal of hundreds of feet of imposing 6-foot high white steel fence opened up new vistas. Other enhancements included installing new planters, re-landscaping patios and berms, planting more than 500,000 seeds, bulbs, and plants; and painting all major structures, inside and out.

Guest circulation was also improved by the addition of pontoon boat service between the East and West islands.

Online Marketing

OPC experienced significant growth on its social media accounts:

- Facebook "Likes" increased from 74 in April 2010 to 3,109 in August 2011.
- Within 2011, Twitter "Followers" increased from 961 in April 2011 to 1,857 in August.
- The excitement created by over 40,000 guests on Canada Day earned Ontario Place "Trending" status on Twitter. ("Trending" indicates the biggest news stories, hottest emerging trends and topics of discussion.)

Events & Entertainment

Major special event programs included hosting the Princess Margaret Hospital's Road Hockey to Conquer Cancer, the United Jewish Appeal's Walk for Israel, Caribana de Lime, as well as OPC's 40th Anniversary signature event, "Through the Decades", a 12-night retrospective featuring the best music, movies and fashion of the last four decades.

OPC, in partnership with Live Nation, launched Echo Beach, Toronto's first fully-licensed outdoor beachfront concert venue. It is a general admission venue with no reserved seating, similar to the original Ontario Place Forum Echo Beach hosted 15 live concerts and was dubbed "The hottest concert venue in the city" by *Toronto Life* magazine.

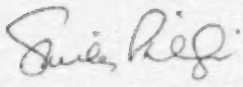
Management's Responsibility for Financial Reporting

The management of Ontario Place Corporation is responsible for the integrity and fair presentation of the financial statements accompanying this report. The financial statements have been prepared in accordance with accounting principles generally accepted in Canada and of necessity include some amounts that are based on estimates and judgments.

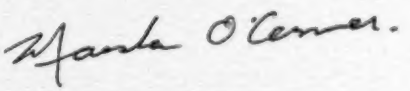
Ontario Place maintains systems of internal accounting controls designed to provide reasonable assurance that the financial information is accurate and reliable, the company assets and liabilities are adequately accounted for, and assets are safeguarded. The systems include policies and procedures and an organizational structure that provides for appropriate delegation of authority and segregation of responsibility.

The financial statements have been reviewed by Ontario Place's Audit Committee and have been approved by its Board of Directors. In addition, the financial statements have been audited by the Office of the Auditor General of Ontario, whose responsibility it is to express an opinion on whether they have been prepared in accordance with generally accepted accounting principles. The Independent Auditor's Report that appears as part of the financial statements outlines the scope of the Auditor's examination and opinion.

On behalf or management:



Shirley Phillips
Interim General Manager



Marsha O'Connor, CMA
Director of Finance & Administration

Toronto, ON
August 2012

Independent Auditor's Report

To Ontario Place Corporation
and to the Minister of Tourism and Culture

I have audited the accompanying financial statements of the Ontario Place Corporation, which comprise the balance sheet as at December 31, 2011, and the statements of operations, changes in net assets and cash flows and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Ontario Place Corporation as at December 31, 2011 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Park Revitalization Announcement

While not impacting my opinion, I draw attention to note 13 to the financial statements which describes the estimated financial impact on the Corporation in 2012 of the February 2012 announcement to close several park attractions while a major revitalization of the park is being planned and implemented

Toronto, Ontario
August 13, 2012

Gary R. Peall, CA
Deputy Auditor General
Licensed Public Accountant

Ontario Place Corporation

Financial Statements

For the Year Ended December 31, 2011

Ontario Place Corporation

Balance Sheet

As at December 31, 2011

	2011 ($ 000)	2010 ($ 000)
ASSETS		
Current		
Cash – unrestricted	3,766	4,782
Cash – restricted [Note 3]	4,430	6,132
Accounts receivable	1,372	6,642
Inventory	191	215
Prepaid expenses and deferred charges	576	334
	10,335	18,105
Capital Assets [Note 4]	119,617	114,228
Capital Assets Under Lease Obligation [Note 5]	246	251
	119,863	114,479
	130,198	132,584
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payables and accrued liabilities [Note 10B]	2,518	1,822
Current portion of obligations under capital lease [Note 6]	53	45
Due to the Province of Ontario	248	246
Deferred revenue	121	66
	2,940	2,179
Long Term Liabilities		
Accrued employee severance liability [Note 10B]	743	717
Obligations under capital lease [Note 6]	195	219
	938	936
Deferred Capital Contributions [Note 7]	21,285	15,872
Unspent Deferred Capital Contributions [Notes 3 & 7]	3,176	5,014
	24,461	20,886
Net Assets		
Invested in capital assets [Note 8]	98,332	98,356
Unrestricted	3,527	10,227
	101,859	108,583
	130,198	132,584

See accompanying schedules and notes to financial statements

Approved on behalf of the Corporation:

Director

Director

Ontario Place Corporation

Statement of Operations

For the Year Ended December 31, 2011

	2011 ($ 000)	2010 ($ 000)
Operating revenue [Schedule 1]	12,807	12,925
Administrative and operating expenses [Schedule 2]	(25,629)	(17,666)
Operating deficit before the following	(12,822)	(4,741)
Province of Ontario operating grants	6,153	5,033
Amortization of deferred capital contributions	2,225	2,406
Amortization of capital assets	(2,249)	(2,430)
Amortization of capital assets under lease	(31)	(31)
	6,098	4,978
Excess/(deficiency) of revenue over expenses for the year	(6,724)	237

See accompanying schedules and notes to financial statements

Ontario Place Corporation

Statement of Changes in Net Assets

For the Year Ended December 31, 2011

	2011 ($ 000)			
	Invested in Capital Assets	Unrestricted	Total	2010 ($ 000)
Net assets, beginning of year	98,356	10,227	108,583	108,346
Excess/(deficiency) of revenues over expenses	(24)	(6,700)	(6,724)	237
Net assets, end of year	98,332	3,527	101,859	108,583

See accompanying schedules and notes to financial statements

Ontario Place Corporation

Statement of Cash Flows

For the Year Ended December 31, 2011

	2011 ($ 000)	2010 ($ 000)
Operating Activities		
Excess/(deficiency) of revenues over expenses	(6,724)	237
Adjustments for items not requiring an outlay of cash		
Amortization of capital assets	2,249	2,430
Amortization of leased capital asset	31	31
Amortization of deferred capital contributions	(2,225)	(2,406)
Net change in non-cash working capital	5,810	533
Accrued employee severance liability	26	41
Cash generated from/(used in) operating activities	(833)	866
Investing Activities		
Capital asset acquisitions – net	(7,638)	(1,055)
Cash used in investing activities	(7,638)	(1,055)
Financing Activities		
Capital grants received	5,800	2,200
Obligation under capital lease principal paid	(47)	(45)
Cash generated from financing activities	5,753	2,155
Increase/(decrease) in cash during the year	(2,718)	1,966
Cash, beginning of year	10,914	8,948
Cash, end of year	8,196	10,914
Cash - unrestricted	3,766	4,782
Cash - restricted	4,430	6,132
	8,196	10,914

See accompanying schedules and notes to financial statements

Ontario Place Corporation

Schedules of Operating Revenue and Administrative and Operating Expenses

For the Year Ended December 31, 2011

	2011 ($ 000)	2010 ($ 000)
Schedule 1		
Operating Revenue		
Admissions	4,330	4,854
Parking	1,749	1,997
Sponsorship revenue	2,451	1,586
Amphitheatre	963	1,491
Retail sales and catering	1,229	1,225
Marina	845	874
Concessions and facility rental	682	553
Other revenue	233	164
Cinesphere revenues	232	118
Interest income	93	63
	12,807	12,925
Schedule 2		
Administrative and Operating Expenses		
Salaries and wages	9,093	7,664
Employee benefits [Note 10]	1,400	1,289
Advertising	5,354	1,956
General and administration	2,266	1,822
Programming and entertainment	2,533	947
Utilities	944	864
Cost of retail sales and catering	725	818
Site maintenance	1,204	676
Janitorial	696	632
Supplies	787	550
Transportation and communications	267	239
Other	360	209
	25,629	17,666

See accompanying notes to financial statements

Ontario Place Corporation

Notes to Financial Statements

As at December 31, 2011

1. Nature of Operations

The Ontario Place Corporation, (the "Corporation" or "Ontario Place") is a provincial Crown agency, incorporated under the *Ontario Place Corporation Act* R.S.O. 1990. The Corporation is exempted from federal and provincial income taxes.

The Corporation operates a park built on a 155-acre site extending through three islands created using landfill along the Toronto waterfront. The park includes a wide variety of programs, attractions and facilities which capture the spirit of Ontario by featuring distinctive and quality attractions for all ages. The site is intended to provide visitors with an appreciation of the Province's resources and accomplishments.

The fees charged for admission and the various attractions within the park are subject to approval by the Ministry of Tourism and Culture. The Corporation receives grants from the Province to partially cover the costs of activities, programs and rejuvenation of the park.

In addition to the various attractions and activities operated directly by Ontario Place, the Corporation enters into a number of licence, ground lease and special event agreements with various private-sector companies.

2. Significant Accounting Policies

(A) BASIS OF ACCOUNTING

The financial statements are the representations of management prepared in accordance with Canadian generally accepted accounting principles.

(B) REVENUE RECOGNITION

Grants are recognized on an accrual basis.

Revenue from admission tickets, parking, retail sales and catering, marina dockage, sponsorship, and the cinesphere are recognized when the goods or services are provided.

Revenue from interest, concessions, and amphitheatre are recognized when they are earned.

(C) INVENTORY

Supplies inventory is valued at cost.

(D) CAPITAL ASSETS

Capital assets are recorded at cost less accumulated amortization. Amortization is calculated using the straight-line method over the estimated useful lives of the assets as indicated below:

Buildings	25 years
Attractions	10 years
Equipment, fixtures	10 years
Computer equipment	4 years

2. Significant Accounting Policies (Continued)

(E) USE OF ESTIMATES

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires that management make estimates and assumptions that affect the reported amount of assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenditures for the period. Actual amounts could differ from these estimates.

(F) FAIR VALUE OF FINANCIAL INSTRUMENTS

Ontario Place follows the Canadian Institute of Chartered Accountants (CICA) accounting standards pertaining to financial instruments. These standards establish guidance for the recognition and measurement of financial assets and liabilities and how financial instrument gains and losses should be accounted for. Under these standards, all financial instruments are classified into one of the following five categories: held-for-trading, held to maturity, loans and receivables, available for sale financial assets, or other financial liabilities.

Under these standards, all financial instruments are required to be measured at fair value upon initial recognition except for certain related party transactions. After initial recognition, financial instruments should be measured at their fair values, except for financial assets classified as held to maturity or loans and receivables and other financial liabilities, which are measured at cost or amortized cost.

The Corporation's financial assets and liabilities are accounted for as follows:

- Cash is recorded at face value.
- Accounts receivable are classified as loans and receivables and are valued at face value which approximates fair value given their short term maturities.
- Accounts payable and Due to the Province are classified as other financial liabilities and are recorded at face value which approximates fair value given their short term maturities.

It is management's opinion that Ontario Place is not exposed to significant interest rate, currency or liquidity risk arising from its financial instruments due to their nature. Ontario Place is exposed to credit risk by its customers. As a result, it determines on a continual basis, the probable credit losses and sets up a provision for losses based on the estimated realizable value.

(G) NON-MONETARY TRANSACTIONS

In the course of business the Corporation enters into non-monetary transactions under which goods and services are acquired in exchange for advertising services. Non-monetary transactions are measured based on fair market value when there is evidence to support the fair value. When the transaction lacks commercial substance, the contract or carrying value is used. The Corporation had non-monetary transactions during the year ended December 31, 2011. These transactions were material in nature and are disclosed in Note 12.

3. Cash – Restricted

Cash grants totalling $4,430,428 are held by Ontario Place which are externally restricted as follows:

	2011 ($ 000)	2010 ($ 000)
Property tax grant	1,254	3,118
Unspent deferred capital grant	3,176	3,014
	4,430	6,132

The property tax grant provided by the Ministry of Tourism and Culture is required to be used for property taxes paid on property occupied by the Corporation and is subject to recovery by the Ministry if not used for that purpose.

Unspent deferred capital contributions are described in Note 7.

4. Capital Assets

Capital assets consist of the following:

	2011 ($ 000)			2010 ($ 000)
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land, waterlots	101,660	—	101,660	101,660
Buildings	13,889	5,708	8,181	7,665
Attractions	11,978	5,058	6,920	3,669
Equipment, fixtures	3,450	978	2,472	1,212
Computer equipment	507	123	384	22
	131,484	11,867	119,617	114,228

5. Capital Assets Under Lease Obligation

	2011 ($ 000)	2010 ($ 000)
Equipment (cost)	342	313
Accumulated amortization	(96)	(62)
	246	251

The equipment under the capital lease is amortized on a straight-line basis over its economic life of 10 years. The amount of amortization charged to expense in 2011 is $34,200 ($31,343 for 2010).

6. Capital Lease Obligation

The following is a schedule of future minimum lease payments which expire in 2016 together with the balance of the obligation.

Year ending December 31	2011 ($ 000)	2010 ($ 000)
2012	63	57
2013	63	57
2014	63	57
2015	79	73
Up to 2016	6	—
Total minimum lease payments	274	244
Interest	(26)	(37)
Balance of the obligation	248	207
Less: current portion	(53)	(45)
	195	162

7. Deferred Capital Contributions

Purchased assets have been capitalized and the corresponding capital grants have been deferred together with unspent capital grants. Spent capital grants are amortized into income on the same basis that the underlying assets are amortized. The changes in the total deferred capital contributions balance are as follows:

	2011 ($ 000)	2010 ($ 000)
Balance, beginning of year	20,886	19,092
Amount amortized to revenue	(2,225)	(2,406)
Capital grants recognized	5,800	4,200
Balance, end of year	24,461	20,886

Included in the above are unspent deferred capital contributions in the amount of $3,176,000, of which $0 (2010 – $2,000,000) is included in accounts receivable with the remaining amount included in restricted cash as described in note 3. Refer to note 9 regarding funds that have already been committed to date.

8. Invested in Capital Assets

The invested in capital asset balance represents the net amount of the Corporation's investment in capital assets less the deferred capital contribution balance at year end.

9. Commitments

In addition to the capital lease obligations discussed in Note 6, the following is a schedule of future payments for the purchase of capital equipment and related support under contracts effective during fiscal 2011:

Year ending December 31	($ 000)
2012	125
2013	—
2014	41
2015	41
Total purchase commitments	207

10. Employee Benefits

(A) PENSION BENEFITS

The Corporation provides pension benefits for all its permanent employees (and to non-permanent employees who elect to participate) through the Public Service Pension Fund (PSPF) and the Ontario Public Service Employees' Union Pension Fund (OPSEU Pension Fund) which are both multiemployer plans established by the Province of Ontario. The Province of Ontario, which is the sole sponsor of the PSPF and a joint sponsor of the OPSEU Pension Fund, determines the Corporation's annual payments to the funds. Accordingly, the pension expense is the Corporation's share of the required contribution to the PSPF and OPSEU pension funds for the year, which was $394,699 (2010 – $341,852), and is included in employee benefits in the Schedule of Administrative and Operating Expenses.

(B) NON-PENSION BENEFITS

The cost of unused vacation and earned legislated severance entitlements are accrued for in the financial statements. Amounts due within one year are included in accounts payable and accrued liabilities.

The cost of other post-employment non-pension employee benefits are paid by the Ministry of Government Services and are not included in the statement of operations.

11. Property Tax Accrual and Recovery

Ontario Place and the City of Toronto were in dispute regarding the amount of property taxes Ontario Place was assessed to pay from 1998-2008. In late 2009, the Corporation received confirmation of a settlement of the assessment appeals it filed with the City of Toronto resulting in a recovery of a significant portion of property taxes previously accrued. During 2009, Ontario Place paid all property taxes due up to the end of 2009 based on the settlement.

Ontario Place received higher than expected final tax bills for 2010 and 2011, as the City used tax rates that were inconsistent with the 2009 settlement. As a result, Ontario Place has filed an appeal for both its 2010 and 2011 tax bills.

Ontario Place has withheld full payment of these final tax bills. Property taxes billed and paid for both 2010 and 2011 are as follows:

2010 Total Property Tax Bill Received	1,869,000
2010 Total Property Tax Bill Paid	1,417,000
2011 Total Property Tax Bill Received	1,315,000
2011 Total Property Tax Bill Paid	1,277,000

12. Non-monetary Transactions

Ontario Place entered into a number of non-monetary transactions, which saw Ontario Place exchange advertising space for a variety of goods and/or services. The most significant are:

	Nature of Goods Exchanged	Basis of Measurement
CTV	Advertising	Contract value
Toronto Star	Advertising	Contract value
Kidomo Inc.	Live Kids Entertainment	Contract value
CHFI Radio	Advertising	Contract value

Approximately $2,067,000 has been recognized as sponsorship revenue along with offsetting administrative and operating expenses as a result of these exchanges. Similar exchanges made in 2010 were valued at $1,112,000. There were no gains or losses associated with the above transactions.

13. Subsequent Event

On February 1, 2012 the Government of Ontario announced plans to revitalize Ontario Place. As part of the revitalization, an advisory panel reporting directly to the Minister of Tourism, Culture and Sport has been assembled to provide strategic advice to the government, including a new vision for the site. The park will be available for use for events like the 2015 Pan/Parapan Am Games until revitalization is complete. This revitalization plan has resulted in the closure of some of the main attractions including the Cinesphere, waterpark, and amusement rides. The Ontario Place Marina, Molson Canadian Amphitheatre, Atlantis Pavillion, and parking lots continue to operate.

As a result, management has estimated the 2012 costs relating to the partial closure of the park including costs for severance/vacation, decommissioning of the site, contract payouts and interim revitalization support to be in the range of $3 to $4 million.

In addition, as a consequence of the Province's decision to partially close the park, a statement of claim has been filed against the Corporation by one of its licensees. The cost to the corporation, if any, cannot be determined because the outcome of this action is uncertain. Ultimately, the Province would have to fund any settlement costs.

Management also estimates that the following one-time write-downs will be required in 2012 to reflect impairment of assets stemming from the closure of some of the main attractions.

	($ 000)
Prepaids	576
Inventory	191
Capital Assets and Deferred Capital Contributions	12,033

14. Future Accounting Changes

The Public Sector Accounting Board ("PSAB") has issued new accounting standards for government organizations. The Corporation has determined it will be classified as a Government NPO ("GNPO") as it meets all the related criteria. PSAB allows GNPOs to choose between the Public Sector Accounting ("PSA") Handbook or the PSA Handbook supplemented by the inclusion of the not-for-profit standards from the Canadian Institute of Chartered Accountants ("CICA") Handbook, known as the 4200 series. These standards will be effective for fiscal years commencing on or after January 1, 2012. The Corporation plans to select PSA standards plus the 4200 series of the PSA Handbook and will first report under these standards in its financial statements for the year ending December 31, 2012. Transition to these new standards is not expected to have a significant impact on the Corporation's financial statements.